



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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Fifth District

September 2, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over a horizontal line.

SACRAMENTO UPDATE

This memorandum contains a pursuit of a County position on legislation regarding workers' compensation and updates on County-advocacy legislation relating to investments in the Iranian energy sector and reimbursement of property tax revenues lost as a result of the wild fires of 2009 and the winter storms of 2010.

Pursuit of County Position on Legislation

SB 145 (DeSaulnier), which as amended on August 19, 2010, would prohibit the consideration of race, religious creed, color, national origin, age, gender, marital status, sex, sexual orientation, or genetic characteristics as a cause or other factor of disability considered in the determination of workers' compensation benefits.

The Chief Executive Office (CEO) Risk Management Branch indicates that SB 145 would negatively affect the County for the following reasons: 1) It would significantly weaken fundamental workers' compensation reforms contained in SB 899 (Chapter 34, Statutes of 2004) which established that the apportionment of permanent disability should be based on causation and an employer should only be liable for the disability directly caused by the work-related injury; and 2) It could eliminate, under certain

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circumstances, current requirements that employees demonstrate on the job exposure in order to qualify for workers' compensation benefits.

According to the California Chamber of Commerce, the argument that the current system of apportionment in California allows for discrimination is not correct because the California Labor Code forbids discrimination based on protected classes.

The Chief Executive Office Risk Management Branch and this office oppose SB 145. Therefore, consistent with existing Board policy to oppose legislation that expands existing or creates new presumptions that can be claimed for workers' compensation, and policy to oppose legislation that mandates or authorizes compensation or benefit changes that increase County costs, **the Sacramento advocates will oppose SB 145 and request the Governor to veto this measure.**

SB 145 is supported by the California Applicant Attorneys Association, the American Federation of State, County and Municipal Employees, the California Communities United Institute, the California Labor Federation, the California Nurses Association, the California School Employees Association, the Glendale City Employees Association, the Peace Officers Research Association of California, the San Bernardino Public Employees Association and the San Luis Obispo County Employees Association. The measure is opposed by Acclamation Insurance Management Services, the Association of California Insurance Companies, the California Association of Joint Powers Authorities, the California Chamber of Commerce, the California Fence Contractors Association, and the Engineers Contractors' Association.

SB 145 passed the Senate by a vote of 22 to 13 on August 26, 2010. This measure now proceeds to the Governor.

Status of County-Advocacy Legislation

County-supported AB 1650 (Feuer), which as amended on August 31, 2010, would prohibit a person, corporation, business or any other nongovernmental entity or group, that provides goods or services of \$20 million or more in Iranian energy sector, from bidding or entering into or renewing a contract with a public entity for goods and services of \$1 million or more, passed the Assembly Floor by a vote of 74 to 0 on August 31, 2010. This measure now proceeds to the Governor.

County-supported AB 1662 (Portantino), which would provide State reimbursement for property tax revenue losses attributable to the wildfires of 2009 and the winter storms of 2010 that resulted in State of Emergency declarations by the Governor, was amended on August 31, 2010. The amendments added Placer and Kern to the list of

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counties eligible for property tax exemptions due to natural disasters. AB 1662 passed the Assembly Floor by a vote of 74 to 0 on August 31, 2010. This measure now proceeds to the Governor.

We will continue to keep you advised.

WTF:RA
MR:VE:RM:sb

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants